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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/507,262	02/18/2000	Jay S. Walker	3553-4020US3	8998

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Walter G Hanchuk
Morgan & Finnegan LLP
345 Park Avenue
New York, NY 10154

EXAMINER

ZURITA, JAMES H

ART UNIT

PAPER NUMBER

3625

DATE MAILED: 09/04/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/507,262

Applicant(s)

WALKER ET AL.

Examiner

James Zurita

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on application of 18 February 2002.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 98-181 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 98-181 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☒ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 5, 2, 4 6) ☐ Other: _____

DETAILED ACTION

Information Disclosure Statement

The information disclosure statements filed 18 February 2000 fails to comply with the provisions of 37 CFR 1.97, 1.98 and MPEP § 609 because the IDS does not provide legible copies each publication.

Applicants list 22 applications that "might be deemed to be pertinent to the instant application" in an Information Disclosure Statement of 18 February 2000. Since these 22 applications are part of an IDS submission, applicants are requested to provide a copy of each pending US application, should applicants wish to have them considered. See MPEP 600-121:

(C) For each cited pending U.S. application, the application specification including the claims, and any drawings of the application, or that portion of the application which caused it to be listed including any claims directed to that portion; and

(D) All other information or that portion which caused it to be listed.

37 CFR 1.98(a)(2)(iii) requires a copy of a pending U.S. application that is being cited in an IDS . . .

There are exceptions to this requirement that a copy of the information must be provided. First, 37 CFR 1.98(d) states that a copy of any patent, publication, pending U.S. application, or other information listed in an information disclosure statement is not required to be provided if: (1) the information was previously cited by or submitted to, the Office in a prior application, provided that the prior application is properly identified in the IDS and is relied on for an earlier filing date under 35 U.S.C. 120; and (2) the IDS submitted in the earlier application complies with 37 CFR 1.98(a)-(c). If both of these conditions are met, the examiner will consider the information previously cited or submitted to the Office and considered by the Office in a prior application relied on under 35 U.S.C. 120.

The instant application claims priority to application 08/707660, filed on 4 September 1996 and issued as patent 5,794,207 on 11 August 1998. The references listed in 20 pages of two Information Disclosure Statements filed on 18 February 2000 do not appear in the parent application and therefore have not been considered.

Applicants are reminded to provide a concise explanation of relevance for non-English language publications.

The Information Disclosure Statements of 18 February 2000 have been placed in the application file, but the information referred to therein has not been considered as to the merits. Applicant is advised that the date of any re-submission of any item of information contained in this information disclosure statement or the submission of any missing element(s) will be the date of submission for purposes of determining compliance with the requirements based on the time of filing the statement, including all certification requirements for statements under 37 CFR 1.97(e). See MPEP § 609 ¶ C(1).

Double Patenting

The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and, *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double

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patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

Claims 98, 113, 127, 139, 152 and 168 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-42 of U.S. Patent No. 6,119,100. Although the conflicting claims are not identical, they are not patentably distinct from each other because claims are directed to accepting or rejecting offers to buy products, including conditional purchase offers, where the offers have effective dates and payment identifiers.

Claims 98, 113, 127, 139, 152 and 168 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-56 of U.S. Patent No. 6,298,331. Although the conflicting claims are not identical, they are not patentably distinct from each other because claims are directed to accepting or rejecting offers to buy aging food products, including conditional purchase offers, where the offers have effective dates and payment identifiers.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 111, 112, 125, 126, 137, 138, 150, 151, 165, 166, 179, 180 are rejected under 35 U.S.C. 112, first paragraph, as containing subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. These claims state that the system may "authenticate said conditional purchase offer prior to consideration thereof," and "authentication of a conditional purchase offer includes acceptance of a customer credit card number."

According to the MICROSOFT Computer Dictionary, Authentication is the process by which a system validates a user's logon information. A user name and password are compared against a list and if the system detects a match, access is granted to the extent specified in the permission list for that user.

The claims directed to authentication of a *conditional purchase offer*, rather than the authentication of a *buyer*. The instant application does not mention authentication.

The parent application appears to use the term *authentication* closer to how the term appears in the MICROSOFT dictionary. Parent application 08/707660 and issued Patent 5,794,207 use the term *authentication* in reference to well-known signatures and encryption techniques. See at least applicant prior art admissions, Col. 6, line 45-Col. 7, line 12, Col. 23, line 19-Col. 31, line 3.

Even if one were to interpret authentication as used in the parent application, there is no mention in either the instant application or in the parent application and patent of how one would go about "authenticating an offer and including in this process the acceptance of a customer credit card number."

For purposes of this examination, Examiner will apply the broadest reasonable interpretation of the claims: the claims will be interpreted to refer to access to a system by a buyer who enters his credit card number as a logon id, and the logon id may be encrypted according to well-known techniques such as public keys.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 98, 113, 127, 139, 152, 168 recite the conditional statements "if said conditional purchase offer is accepted [acceptable]. . . ." These conditional statements render the claims indefinite since it is unclear to the examiner what the scope of the claims is when the conditional statements are false. The applicant should consider rewriting the claim language to avoid the use of conditional statements. For purposes of this examination, Examiner will take the broadest reasonable interpretation of the claims and assume that the conditional statements are false.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 98-181 are rejected under 35 U.S.C. 103(a) as being unpatentable over an article entitled Room Inventory Auctioning: The Next CRS Generation, by Ken Koepper, January 1990, Lodging, pages 26-30 (hereinafter *Koepper*), in view of an article entitled CRS's in Cyberspace, by Elaine Elliott, Travel Agent, March 6, 1995, accessed from DialogWeb on 22 August 2002 (hereinafter *CRS_Cyberspace*) and prior art disclosures by applicants.

Koepper describes a dynamic, interactive system and network with centralized databases that store buyer offers and seller inventory for the travel and airlines industry (see at least figure on page 29, *Information and Trading System for the Travel Industry*). Travel services may include at least airline ticket(s) and hotel accommodations.

Buyers access the database via central reservations systems via on-line service providers such as CompuServe/AOL. Buyers may be travel agents or the general public.

Buyers specify conditions of their purchase offers, including dates they wish to travel, hotel accommodations and an offer price that a buyer is willing to pay for the travel accommodations. The offer may also specify expiration dates to inform sellers how long a buyer will insist on the terms of his offer. See at least page 26, column 1, paragraphs 2, 3, 4.

The system **receives** a buyer's offer and conditions, including price, and stores the information in the database.

Koepper **compares** buyer offers and conditions with seller inventory. This inventory contains seller-defined rules and data. When the system finds matching

seller-defined inventory and rules, the system determines that the buyer's offer and conditions are acceptable. Koepper's **accepts** the buyer's offer on behalf of a seller when a buyer's offer matches seller's conditions. Koepper **creates** appropriate buyer record(s) and **transmits** the information as an electronic record to the appropriate sellers. Where a seller is an airline, the record is commonly referred to as a passenger name record (PNR), of which Examiner takes Official Notice. See at least references to booking and getting the business, page 26, column 1, paragraphs 3-4.

Koepper **notifies** the buyer that his offer and conditions have been accepted or not accepted. Where a buyer's offer and conditions are not accepted, buyers have the option of establishing alternate conditions to his offer (see at least page 26, column 1, final paragraph). Koepper discloses that buyers may be bound to their offers, and that payment from a buyer may be guaranteed (see references to cancellation fees, at least on page 30, column 1, paragraph 1). Cancellation fees are well-known ways of ensuring that contracts are legally binding, since a person would not normally pay a cancellation fee unless he was required to do so. It is well-known that legally binding cancellation fees may be set as sums certain or as percentages of items in question.

Sellers specify fares, dates and times of travel, hotel rates, and other inventory information. Seller-defined rules may include expiration dates and pricing data (see at least page 3, column 3, paragraph 3 concerning life of a bid).

Koepper does not disclose that buyers access the system via web browsers. Koepper does not disclose that web pages display forms with blanks where buyers may enter conditions of their offers. However, Koepper teaches that the system may be

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accessed via personal computers networked with on-line service providers such as CompuServe/AOL. Koepper teaches that computer screens prompt buyers as they enter information offer conditions (see at least page 29, column 3, paragraphs 1, 2). Koepper teaches that the comparisons are performed immediately and interactively, and that the system is available 24 hours per day. Koepper suggests increased use of the system by many types of buyers, including the general public and travel agencies.

The World Wide Web, browsers, and other conventional communications software are well-known, as disclosed by applicant. Network interfaces to the internet and any commercial on-line services such as CompuServe are old and well-known (Walker et al., US Patent 5,794,207, see at least Col. 14, lines 8-52).

CRS_Cyberspace discloses the use of browsers, web pages and HTML for inputting and submitting information to centralized databases related to travel and airlines. Both Koepper and *CRS_Cyberspace* disclose the use of central reservations systems by buyers to access airline and travel related services.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to combine Koepper and *CRS_Cyberspace* to permit buyers to access a database and store conditions related to buyer offers via web pages and HTML fields.

One of ordinary skill in the art at the time the invention was made would have been motivated to combine Koepper and *CRS_Cyberspace* to permit buyers to access a database and store conditions related to buyer offers via web pages and HTML fields for the obvious reason that browsers and web pages are user-friendly ways of letting

buyers enter and submit data on their personal computers. Often, a web site may present buyers with web pages that have blank fields. A buyer may enter one or more conditions of his offer in a blank field. The browser may validate input data on a web page with client-side scripts, using well-known techniques, including JAVASCRIPT, applets, or their MICROSOFT equivalents. By having Koepper's many functions be performed with web pages and browsers, a system can take advantage of widely available technology that has permitted enormous growth of electronic commerce. This growth translates into more jobs, more shopping opportunities and increased benefits worldwide.

Koepper accesses seller inventory to match conditions of a buyer's offer. Koepper discloses different sequences for accessing and matching buyers and sellers, including time-limits, dates and times of travel, hotel accommodations (e.g., 4-star hotels) and price ranges (see at least p. 26, column 1, paragraphs 2, 3, 4). These and other conditions may predefine the sequences used to access each seller's inventory. Koepper discloses that each seller may drop their prices and accept a buyer offer *before* a buyer's *expiration period* runs out. The *first* airline and hotel that OK the bid get the business. See at least page 26, columns 1-2.

Koepper does not specifically disclose that predefined sequence may be based on (a) historical acceptance rate of a seller, or (b) seller-negotiated priorities or (c) commission rates paid by a seller.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to include in Koepper that inventory may be accessed

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according to various criteria such as (a) historical acceptance rate of a seller, or (b) seller-negotiated priorities or (c) commission rates paid by a seller.

One of ordinary skill in the art at the time the invention was made would have been motivated to include in Koepper that inventory may be accessed according to various criteria such as (a) historical acceptance rate of a seller, or (b) seller-negotiated priorities or (c) commission rates paid by a seller for the obvious reason that a system is more effective when it is user-friendly. A system is user-friendly when the system can determine *how* to access inventory according to specific criteria. Some examples follow, along with possible benefits to both buyers and sellers.

When a buyer's offer includes the condition that he wants to stay at a 4-star hotel, for example, it would be ineffective for the system to begin a search sequentially from 0-star hotels, 1-star hotels, etc. Similarly, if a buyer states he wants to travel from San Francisco to New York, it would not make sense to have the system search sequentially in alphabetical order for flights from San Francisco to Anchorage, then San Francisco to Burbank, etc. It makes more sense to have a system search only for flights to New York. Once a system has found all flights to New York, a system is more effective and user-friendly if it presents the data according to date and time of service. Buyers may have preferences concerning what airlines they prefer and which carriers they will avoid; the system may present data that includes or excludes carriers. Thus, the system may access inventory according to buyer priorities. When buyers are travel agencies, it would make sense to have a system first check the inventory of those sellers that provide higher commission rates. This provides benefit to both the agent

and the seller, in that the agent will be more likely to prefer those carriers that pay more over those carriers that provide lower commissions. Thus, agents receive more money for his work, and the seller increases sales of his inventory.

A system may access inventory according to seller-negotiated priorities. Kopper discloses several instances where a seller would want to prioritize availability of inventory: number of rooms available on a given night (see at least page 26, column 3, paragraph 2), or number of seats available on particular flights, possibly based on cancellation by a large group of travelers (see at least page 29, column 1, paragraph 2). These occurrences are a normal part of everyday commerce. Therefore, one of ordinary skill in the art would have included in Koepper the capability to access inventory according to seller-negotiated requirements. Seller requirements may include that particular sets of rooms/seats be sold as quickly as possible, perhaps at a greater discount or with a higher commission rate to an agent. Both buyers and sellers benefit: sellers can get some revenue for inventory that would have otherwise produced no revenue. Buyers can obtain even greater discounts on inventory possibly in exchange for less convenient schedules.

In addition, it would make sense for the system to access inventory according to historical acceptance rate of a seller. A buyer such as a travel agency may wish to obtain results in the shortest amount of time. One way of being time-efficient is to search among those sellers who have a reputation for flexibility by accepting more offers from buyers. By marketing this reputation, sellers attract buyer offers and increase the total number of sales for an intermediary such as a travel agency.

Koepper does not specifically address how payment is carried out. Examiner takes official notice that payments from financial accounts, including debit, credit and charge accounts/cards, are notorious and well known to those of ordinary skill in the art at the time the invention was made. Examiner takes official notice that at least these types of accounts have identifiers that may be used to provide guaranteed payment in exchange for at least travel services and airline tickets. Payment identifiers may include a number that associates a credit account or a debit account with an account at a financial institution. These numbers are often embossed in a corresponding plastic card. Cards often have magnetic strips, microchips, or other means for storing more information. It is well-known in the art of electronic commerce to check whether a buyer has sufficient credit or funds in a corresponding account by requesting pre-authorization from a financial clearinghouse institution. The authorization request for an amount may be accepted or denied by the institution. See disclosures of prior art and references to commonly known payment methods in parent application, in at least Col. 20, line 49-Col. 21, line 67.

Therefore, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time the invention was made to permit buyers to use payment identifiers that specify financial accounts to provide guaranteed payment in exchange for at least travel services and airline tickets.

One of ordinary skill in the art of electronic commerce at the time the invention was made would have been motivated to permit buyers to use payment identifiers that specify financial accounts to provide guaranteed payment in exchange for at least travel

services and airline tickets for the obvious reason that such payment mechanisms are considered well tested, reliable and convenient to use. In electronic commerce particularly, the use of credit cards and other types of financial accounts assure sellers that their payment is guaranteed by financial institutions that issued corresponding accounts, their identifiers and plastic cards with magnetic strips, as applicable.

Koepper does not disclose authentication of a buyer prior to considering the buyer's conditions and offer. Koepper does not disclose that such authentication would include acceptance of a buyer's credit card number. Examiner takes official notice that authentication is common and well-known, and may include logon id's and passwords, electronic signatures and cryptographic techniques.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to include authentication techniques. One of ordinary skill in the art at the time the invention was made would have been motivated to include authentication techniques for the obvious reason that authentication is critical in a system such as Koepper describes. The system collects information such as an airline's or hotel's inventory. Without authentication, a user may access the system and obtain information about competitor's discounted offerings. With this information, a seller may well identify a competitor's pricing structures and vulnerabilities. When a system authenticates a user's access, the system prevents one user from accessing data belonging to others. This type of protection is critical when storing credit card numbers and other buyer information. Electronic commerce demands the ability of users to feel that their information is not available to unauthorized parties.

While authentication in the normal world uses login id's and passwords, other information may be used to authenticate a user. For example, one may use a pet's name as a login id and the pet's birthday as the password. While some systems restrict the number of characters for each field, other systems may not. Since authentication is merely a way of identifying a user, a user may use any combination of upper/lower case letters and numbers. A number that is not easily identified as related to a particular purpose will include 30-digit numbers, 20-digit numbers, 16-digit numbers such as a credit card number. Alternatively, one can combine a number with many digits with letters, such as a pet's name.


Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to James Zurita whose telephone number is 703-605-4966. The examiner can normally be reached on 8:30 am to 5:00 pm, M-F.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn Coggins can be reached on 703-308-1344. The fax phone numbers for the organization where this application or proceeding is assigned are 703-305-7687 for regular communications and 703-305-7687 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.

JE
James Zurita
Patent Examiner
Art Unit 3625
August 22, 2002


JEFFREY A. SMITH
PRIMARY EXAMINER